

# Highway Operations

Analyst: Headlee

## Historical Summary

<b>OPERATING BUDGET</b>	<b>FY 2008 Total App</b>	<b>FY 2008 Actual</b>	<b>FY 2009 Approp</b>	<b>FY 2010 Request</b>	<b>FY 2010 Gov Rec</b>
<b>BY FUND CATEGORY</b>					
Dedicated	130,351,200	130,703,500	139,919,100	145,117,500	140,260,800
Federal	14,650,600	12,138,100	13,573,500	13,242,200	13,238,000
<b>Total:</b>	<b>145,001,800</b>	<b>142,841,600</b>	<b>153,492,600</b>	<b>158,359,700</b>	<b>153,498,800</b>
Percent Change:		(1.5%)	7.5%	3.2%	0.0%
<b>BY OBJECT OF EXPENDITURE</b>					
Personnel Costs	80,580,300	76,133,600	84,968,400	88,345,700	84,907,300
Operating Expenditures	44,552,400	46,495,900	45,840,500	47,098,400	47,098,400
Capital Outlay	17,406,600	19,079,300	20,221,200	20,453,100	19,030,600
Trustee/Benefit	2,462,500	1,132,800	2,462,500	2,462,500	2,462,500
<b>Total:</b>	<b>145,001,800</b>	<b>142,841,600</b>	<b>153,492,600</b>	<b>158,359,700</b>	<b>153,498,800</b>
Full-Time Positions (FTP)	1,328.00	1,329.00	1,329.00	1,335.00	1,335.00

## Division Description

The Highway Operations division directs statewide highway maintenance and highway improvements; administers federal-aid safety improvement projects and safety tasks; protects highways from oversize, overweight, and dangerous usage; and develops projects to improve state and local highway systems to save lives.

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## Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
<b>FY 2009 Original Appropriation</b>	<b>1,329.00</b>	<b>0</b>	<b>153,492,600</b>	<b>1,329.00</b>	<b>0</b>	<b>153,492,600</b>
Health Insurance Reduction	0.00	0	0	0.00	0	(664,500)
<b>FY 2009 Total Appropriation</b>	<b>1,329.00</b>	<b>0</b>	<b>153,492,600</b>	<b>1,329.00</b>	<b>0</b>	<b>152,828,100</b>
Noncognizable Funds and Transfers	6.00	0	(105,400)	6.00	0	(105,400)
<b>FY 2009 Estimated Expenditures</b>	<b>1,335.00</b>	<b>0</b>	<b>153,387,200</b>	<b>1,335.00</b>	<b>0</b>	<b>152,722,700</b>
Removal of One-Time Expenditures	0.00	0	(20,227,200)	0.00	0	(20,227,200)
Base Adjustments	0.00	0	(97,000)	0.00	0	(97,000)
<b>FY 2010 Base</b>	<b>1,335.00</b>	<b>0</b>	<b>133,063,000</b>	<b>1,335.00</b>	<b>0</b>	<b>132,398,500</b>
Benefit Costs	0.00	0	1,295,400	0.00	0	630,800
Inflationary Adjustments	0.00	0	1,904,700	0.00	0	1,904,700
Replacement Items	0.00	0	20,453,100	0.00	0	19,030,600
Statewide Cost Allocation	0.00	0	(465,800)	0.00	0	(465,800)
Change in Employee Compensation	0.00	0	2,109,300	0.00	0	0
<b>FY 2010 Total</b>	<b>1,335.00</b>	<b>0</b>	<b>158,359,700</b>	<b>1,335.00</b>	<b>0</b>	<b>153,498,800</b>
Change from Original Appropriation	6.00	0	4,867,100	6.00	0	6,200
% Change from Original Appropriation			3.2%			0.0%

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
<b>FY 2009 Original Appropriation</b>					
	1,329.00	0	139,919,100	13,573,500	153,492,600
<b>Health Insurance Reduction</b>					
Agency Request	0.00	0	0	0	0
<i>The Governor recommends reducing the funding for health insurance by \$500 per FTP, using reserves to offset the increased costs of health insurance for the state for FY 2009 and FY 2010.</i>					
Governor's Recommendation	0.00	0	(591,900)	(72,600)	(664,500)
<b>FY 2009 Total Appropriation</b>					
Agency Request	1,329.00	0	139,919,100	13,573,500	153,492,600
Governor's Recommendation	1,329.00	0	139,327,200	13,500,900	152,828,100
<b>Noncognizable Funds and Transfers</b>					
Transfers in 6.0 FTPs and \$69,600, moves \$175,000 from operating to capital outlay, and transfers \$175,000 from Highway Operations to Contract Construction and Right-of Way-Acquisition.					
Agency Request	6.00	0	(105,400)	0	(105,400)
Governor's Recommendation	6.00	0	(105,400)	0	(105,400)
<b>FY 2009 Estimated Expenditures</b>					
Agency Request	1,335.00	0	139,813,700	13,573,500	153,387,200
Governor's Recommendation	1,335.00	0	139,221,800	13,500,900	152,722,700
<b>Removal of One-Time Expenditures</b>					
Agency Request	0.00	0	(20,227,200)	0	(20,227,200)
Governor's Recommendation	0.00	0	(20,227,200)	0	(20,227,200)
<b>Base Adjustments</b>					
Transfers in the remaining salaries from the six FTPs transferred to this program.					
Agency Request	0.00	0	579,300	(676,300)	(97,000)
Governor's Recommendation	0.00	0	228,200	(325,200)	(97,000)
<b>FY 2010 Base</b>					
Agency Request	1,335.00	0	120,165,800	12,897,200	133,063,000
Governor's Recommendation	1,335.00	0	119,222,800	13,175,700	132,398,500
<b>Benefit Costs</b>					
Provides \$900 per position, which equates to a 10.4% increase for employer-paid health insurance. Also, includes a 19% reduction in life and disability insurance rates from 1.1% to 0.9% of salary for eligible employees.					
Agency Request	0.00	0	1,164,100	131,300	1,295,400
<i>The Governor recommends providing an increase of \$400 per FTP and making changes to the health insurance benefits contract to meet expected costs. Including the rescission to reduce health insurance benefit costs in FY 2009 by \$500 per FTP, employer costs per FTP for FY 2010 will be \$8,600.</i>					
Governor's Recommendation	0.00	0	568,500	62,300	630,800
<b>Inflationary Adjustments</b>					
Inflationary increases are calculated using the ongoing base for operating expenditures and trustee & benefit payments multiplied by an agency-specific inflation factor. The requested amount is \$100,000 in general inflation and \$1,751,600 for contract inflation. This includes \$100,000 in general inflation for paint and beads for highway striping, a fuel contract increase of \$1,589,600, traffic records maintenance contract increase of \$105,000, a \$57,000 increase for the CARS 511 travel information contract, and \$53,100 for the Bureau of Homeland Security public safety communication fee increase.					
Agency Request	0.00	0	1,904,700	0	1,904,700
Governor's Recommendation	0.00	0	1,904,700	0	1,904,700

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
<b>Replacement Items</b>					
This request includes \$10,970,000 to replace equipment under the department's "Buy-Back" Program. "Buy-Back" purchases are estimated to be offset by \$10,969,600 in receipts from the sale of existing equipment. The request also includes road equipment \$8,090,100; computer equipment \$482,800; lab, engineering, shop, & communication equipment at \$650,700; and other equipment at \$259,500.					
Agency Request	0.00	0	20,453,100	0	20,453,100
<i>The Governor recommends a 15% reduction in requested replacement capital. Funds subject to the reduction are \$9,483,000 and do not include those under the Buy-Back program. The \$1,422,465 savings from this function are recommended in a line item increase for contract construction.</i>					
Governor's Recommendation	0.00	0	19,030,600	0	19,030,600
<b>Statewide Cost Allocation</b>					
The request includes adjustments to recover the costs of services provided to state agencies and includes a decrease of \$465,800 for property and casualty insurance premiums.					
Agency Request	0.00	0	(465,800)	0	(465,800)
Governor's Recommendation	0.00	0	(465,800)	0	(465,800)
<b>Change in Employee Compensation</b>					
Agencies were instructed to calculate a 3% salary increase in the appropriation request.					
Agency Request	0.00	0	1,895,600	213,700	2,109,300
<i>While increasing salaries of state workers continues to be a priority for the Governor, the current economic situation does not provide the funds to recommend an increase in FY 2010. When economic conditions improve, the Governor will once again seek to improve compensation for all state employees.</i>					
Governor's Recommendation	0.00	0	0	0	0
<b>FY 2010 Total</b>					
Agency Request	1,335.00	0	145,117,500	13,242,200	158,359,700
Governor's Recommendation	1,335.00	0	140,260,800	13,238,000	153,498,800
Agency Request					
Change from Original App	6.00	0	5,198,400	(331,300)	4,867,100
% Change from Original App	0.5%		3.7%	(2.4%)	3.2%
Governor's Recommendation					
Change from Original App	6.00	0	341,700	(335,500)	6,200
% Change from Original App	0.5%		0.2%	(2.5%)	0.0%